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**OFFICE OF PETITIONS**

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In re Patent No. 6,856,975 :  
Issue date: February 15, 2005 :  
Application No. 09/540,193 : **ON PETITION**  
Filed: March 30, 2000 :  
Attorney Docket No. 200004402-0002 :  
For: SYSTEM, METHOD, AND ARTICLE  
OF MANUFACTURE FOR SECURE  
TRANSACTIONS UTILIZING A  
COMPUTER NETWORK

This is a decision on the petition under 37 CFR 1.378(b), filed June 29, 2012, to accept unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DISMISSED**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400. The petition for reconsideration should include an exhaustive attempt to provide the lacking item noted below, since, after a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director.

The patent issued February 15, 2005. The 3 ½ year maintenance fee could have been paid from February 15, 2008 through August 15, 2008, or with a surcharge during the period from August 16, 2008 through February 15, 2009. The 3 ½ year maintenance fee was not timely paid. Accordingly, the patent expired on February 16, 2009.

**Statute and Regulation**

37 CFR 1.378(a) provides that the Director may accept the payment of any maintenance fee due on a patent based on an expiration of the patent, if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable or unintentional. The appropriate surcharge set forth in § 1.20(i) must be paid as a condition of accepting payment of the maintenance fee. The surcharges set at 37 CFR 1.20(i) are established pursuant to 35 U.S.C. 41(c) and, therefore, are not subject to small entity provisions of 35 U.S.C.

41(h). No separate petition fee is required for this petition. If the Director accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired but will be subject to the intervening rights and provisions of 35 U.S.C. 41(c)(2).

The patent statute at 35 U.S.C. 41(c)(1) provides as follows:

"The Director may accept the payment of any maintenance fee required by subsection (b) of this section... at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable."

The statute's promulgating rule, 37 CFR 1.378(b), provides that any petition to accept the delayed payment of a maintenance fee must include the following:

- (1) the required maintenance fee set forth in 37 CFR 1.20(e) - (g);
- (2) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Such a statement must be verified if made by a person not registered to practice before the Patent and Trademark Office. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

### **Opinion**

In the instant petition, assignee of record, Verity and Protect, Inc., asserts it relied upon the Halvorson Law Firm and its docketing system to provide notice of deadlines related to the patent. Unfortunately, assignee did not receive any notification from the Halvorson Law Firm of the February 15, 2009 absolute due date for the 3 ½ year maintenance fee and no one paid the maintenance fee. Assignee argues the delayed maintenance fee payment is completely attributable to the Halvorson Law Firm's failure to provide appropriate notice of the upcoming maintenance fee due date or to effect payment on the assignee's behalf, and was therefore, unavoidable.

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

Petitions for the delayed payment of maintenance fees under 35 U.S.C. 41(c)(1) are treated under the same standard as petitions for revival of abandoned applications under 35 U.S.C. 133

because both statutory provisions use the same language, i.e., “unavoidable” delay. Ray v. Leyman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4.409.763, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988), *aff’d*, Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff’d*, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992)). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable as follows:

The word ‘unavoidable’ ....is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm’r Pat. 31, 32-33 (Comm’r Pat. 1887); *see also* Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-168 (D.D.C. 1963), *aff’d*, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm’r Pat. 139, 141 (1913)). In addition, decisions on revival are made on a “case by case basis, taking all the facts and circumstances into account.” Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). The requirement in 35 U.S.C. 133 for a showing of unavoidable delay requires not only a showing that the delay which resulted in the abandonment of the application was unavoidable (or expiration of the patent as it applies to 35 U.S.C. 41(c)(1)), but also a showing of unavoidable delay from the time an applicant becomes aware of the abandonment of the application until the filing of a petition to revive (or a petition under 37 CFR 1.378(b) to reinstate the patent under 35 U.S.C. 41(c)(1)). *See In re Application of Takao*, 17 USPQ2d 1155 (Comm’r Pat. 1990). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable.” Haines v. Quigg, 673 F. Supp. 314, 316-317, 5 USPQ2d 1130, 1131-1132 (N.D. Ind. 1987).

35 U.S.C. 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. 133. Consequently, a reasonably prudent person in the exercise of due care and diligence will take steps to ensure the timely payment of maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. Thus, it follows that an adequate showing of unavoidable delay in payment of a maintenance fee, within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3), requires a showing of the steps taken to ensure the timely payment of the maintenance fees for the patent. *Id.* Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee.

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, a patentee’s lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. *See Patent*

No. 4,409,763, *supra*; see also “Final Rules for Patent Maintenance Fees” 49 Fed. Reg. 34716, 34722-34723 (August 31, 1984), *reprinted in* 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statute and regulations, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. The Office’s mailing of Maintenance Fee Reminders is carried out strictly as a courtesy. Accordingly, it is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and/or the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. Rydeen v. Quigg, 748 F. supp. at 900.

The record fails to show that assignee or its former representative took adequate steps to ensure timely payment of the maintenance fee. In re Patent No. 4,461,759, 16 USPQ2d 1883, 1884 (Comm’r Pat. 1990).

Petitioner must demonstrate, via a documented showing, that despite reasonable care by the assignee and/or its former attorneys to implement reasonable steps to ensure the timely payment of the maintenance fee, the maintenance fee was nevertheless, unavoidably not paid.

It is incumbent upon petitioner to demonstrate, via a documented showing, that its former representatives had docketed this patent for the first maintenance fee payment in (a) reliable tracking system(s). It is clear from the petition that assignee was not monitoring the due date for the first maintenance fee payment.

The Office requires a statement from assignee’s former attorneys describing the arrangement between assignee and the firm with respect to maintenance fee payments. Were assignee’s former attorneys tracking the maintenance fee due dates for the patent? Did assignee’s former attorneys attempt to timely contact assignee regarding the maintenance fee due date? Please provide copies of any letters sent to the Halvorson Law Firm/former attorneys of record.

**Petitioner is advised that delay resulting from a failure in communication between a client and a registered practitioner is not unavoidable delay.** In Re Kim, 12 U.S.P.Q.2d 1595 (Comm’r Pat. 1988). Delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 U.S.C. 1.378(b). See Ray, at 610, 34 U.S.P.Q.2d at 1789.

A client is bound by the consequences of the actions or inactions of his duly authorized and voluntarily chosen representatives. Link v. Wabash, 370 U.S. 626, 633-34 (1962)

The record fails to disclose that assignee or assignee’s representatives took reasonable steps to ensure timely payment of the maintenance fee. The record indicates that no steps were taken by assignee to ensure timely payment of the 3 ½ year maintenance fee. Assignee’s former attorneys have not provided a statement of facts describing their responsibilities and actions with respect to docketing and payment of maintenance fees for the patent.

In short, petitioner has not demonstrated, via a documented showing, that there was a reliable tracking system in place to monitor the due dates of maintenance fees and that a responsible party had docketed this patent in that system. Evidence should be submitted which demonstrates that despite reasonable care by the assignee and/or the assignee's agents to implement reasonable steps to ensure the timely payment of the maintenance fees, the maintenance fee was nevertheless, unavoidably not paid.

Regarding fees, petitioner has overpaid. Petitioner paid \$310.00 on April 23, 2012. Petitioner paid \$1,265.00 (\$700.00 surcharge + \$565.00 3 ½ year maintenance fee) on June 29, 2012. Petitioner's credit card will be credited \$310.00.

If petitioner does not wish to pursue reinstatement of this expired patent, petitioner may request a refund of the \$565.00 maintenance fee and the \$700.00 surcharge submitted with the petition. The request should be made in writing and addressed to: Mail Stop 16, Director of the U.S. Patent and Trademark Office, P. O. Box 1450, Alexandria, VA 22313-1450. A copy of this decision should accompany petitioner's request.

Further correspondence with respect to this matter should be addressed as follows:


**By mail:** Mail Stop PETITION  
Commissioner for Patents  
Post Office Box 1450  
Alexandria, VA 22313-1450

**By hand:** U.S. Patent and Trademark Office  
Customer Service Window, Mail Stop Petition  
Randolph Building  
401 Dulany Street  
Alexandria, VA 22314

**By FAX:** (571) 273-8300 - ATTN: Office of Petitions

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(for help using EFS-Web call the  
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at (866) 217-9197)

Telephone inquiries concerning this matter may be directed to the undersigned at (571) 272-3230

  
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